

Affordable Housing Plan

Town of Granby



Draft February 2022

Affordable Housing Plan Committee

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Introduction

Community Values Statement

Granby values its beautiful open spaces, its thriving farms, and the welcoming nature of our town, our "neighborliness". Granby is a rural town that prides itself on its agricultural roots and its respect for its natural environment. A wealth of protected open spaces are treasured and used on a regular basis by many in our community. Award-winning schools reflect the Town's commitment to a high quality education and make Granby a top choice for young families seeking good schools and a healthy lifestyle. Granby retains a "small town" feel, there is a strong sense of community and volunteers can be found running boards and commissions, non-profit groups and clubs providing services that enrich the lives of the residents.

We envision Granby continuing to be a vibrant, growing community and are committed to encouraging a diverse, affordable, and equitable housing stock that meets the needs of existing and new residents regardless of race, color, national origin, religion, sex (including gender, gender identity, and sexual orientation), familial status, or disability. We strive to provide a diverse mix of housing opportunities, including a range of affordable housing options, from small footprint apartments to larger footprint houses, for people to upsize or downsize within the community. By providing a range of affordable housing choices, Granby can provide opportunities to remain in the community when economic or familial circumstances change and opportunities to join the community.

What is Affordable Housing?

Affordable housing is generally used to refer to housing which is priced so that persons and families earning 80% or less of the area median income pay 30% or less of their annual income on housing. This calculation is based on household size and incomes are adjusted annually. In Granby, as of 2021, a family of four making less than \$83,440 or an individual making less than \$58,408 could qualify for affordable housing. Refer to income limits below:

Table 1: 80% Area Median Income based on Household Size

Household Size						
1	2	3	4	5	6	7
\$58,408	\$66,752	\$75,096	\$83,440	\$90,115	\$96,790	\$103,466

Source: Department of Housing, Development Program Income Limits based on HUD Median Incomes, 2021 Income Limits

There are different types of affordable housing. The first type is housing which is encumbered in some way to sell or rent at an affordable level. An example would be deed restrictions. The second type is naturally occurring affordable housing. This is market-rate housing that sells or rents at an affordable rate. Connecticut General Statutes Section 8-30g, Affordable Housing Appeals Procedure, only considers the first type of affordable housing, which is housing encumbered in some way. Examples of encumbered housing are government assisted housing developments, units occupied by tenants receiving rental assistance, units financed by the Connecticut Housing Finance Authority (CHFA) mortgages or United States Department of Agriculture mortgages, or housing

units subject to deed restrictions, which limit prices so households earning 80% or less of the area median income pay 30% or less of their income on housing. This Affordable Housing Plan (Plan) will consider both types of affordable housing.

As this Plan will address housing that is affordable to households earning 80% or less of the area median income, with affordability calculations based on the 80% threshold, it does not specifically address housing costs for those who make less than this and are considered very low- and extremely low-income. While there is certainly a need for affordable housing for households in these income levels, this is beyond the scope of this Plan. However, some of the proposed recommendations outlined later in this Plan may very well benefit households of other income levels.

CGS Section 8-30g, Affordable Housing Land Use Appeals Procedure

In 1989, Connecticut passed a law to promote the construction of affordable housing. In municipalities where less than 10% of housing meets the statute's definition of affordable housing, developers may seek approval for affordable or mixed income housing developments even if the development does not comply with the local zoning regulations. To win an appeal of a denial, the burden of proof is on the municipality to show that 1) the denial was necessary to protect substantial public health, safety or other matters which the Commission may legally consider; such public interests clearly outweigh the need for affordable housing; and such public interests cannot be protected by making reasonable changes to the application; or 2) the development is not receiving government housing assistance funds and is located in an industrial zone that does not permit residential uses. If a municipality's housing stock is more than 10% affordable, the municipality is exempt from CGS 8-30g.

While this Plan will focus exclusively on affordable housing in Granby, it is important to recognize that the need to plan and provide for affordable housing is not new. The statutory authority to enact zoning regulations includes the requirement that such regulations shall "...encourage the development of housing opportunities...." and "...promote housing choice and economic diversity in housing, including housing for both low and moderate income households..." (Connecticut General Statutes Section 8-2). Every ten years, municipalities are also required to amend and adopt a Plan of Conservation and Development (POCD). Connecticut General Statutes Section 8-23 outlines what must be included in a POCD. "In preparing such plan, the commission or any special committee shall consider the....need for affordable housing" and "such plan of conservation and development shall....G) make provision for the development of housing opportunities, including opportunities for multifamily dwellings....(H) promote housing choice and economic diversity in housing, including housing for both low and moderate income households...."

The Town of Granby's most recent POCD was adopted in 2016. In accordance with State Statute, housing opportunities and affordable housing are outlined in several areas. The full POCD is available on the Town's website, relevant excerpts are below.

The Ten Year Vision in Granby includes the following statements:

That the Town Center becomes a more vibrant commercial and mixed-use area with:

- A greater mix of new housing units, particularly multifamily and rental units.

That Granby homes continue to be primarily owner occupied, single family, with:

- New opportunities for homes on smaller lots, consistent with existing or improved infrastructure.
- An expansion in the number of rental units.
- Increased housing opportunities for a more diverse group of residents.
- A significant growth in housing opportunities for the elderly.
- The continued increase in the number of accessory apartments.

In the Housing Section, the following goals are outlined:

- Provide the opportunity for the construction of multi-family homes where appropriate.
- Encourage the construction of active adult and elderly housing.
- Encourage the construction of new affordable housing.
- Establish a zone that will provide for higher-density single family housing where soils and infrastructure will support such density.
- Establish a zone that allows for the construction of new homes on lots of less than 30,000 square feet.

The following implementation strategies are recommended:

- Flexible Residential Development (FRD) Density Revisions
 - Consider a density bonus within FRD for the construction of affordable housing for low or moderate income persons.
- Two-Family Structures
 - Consider an amendment to the Zoning Regulations, which would allow the construction of two-family structures or a mix of one and two-family structures in compatible areas where public sewer and/or public water are available and in areas with soil conditions that can accommodate such structures in compliance with the Public Health Code.
- Increased Opportunities for Accessory Apartments
 - Continue to allow accessory apartments. Consider amending the regulations to allow accessory apartments in buildings that are not attached to the primary residence.
- Diversifying the Town's Housing Base
 - With demographic changes, construction innovations and the desire to further diversify the Town's housing base, the Town should now endeavor to reduce the current minimum lot size of vacant and underutilized properties, where public water and sewer exists.

In the Granby Center Section, the following goal is outlined:

- Obtain a greater mix of new housing units, particularly multi-family and rental units.

The following implementation strategy is recommended:

- Housing Opportunities
 - Provide opportunities for a greater number and mix of new housing units, particularly multi-family units, rental units and single-family units on reduced size lots. An increase

in the number of residents who live in the Center will ultimately result in a more vibrant, pedestrian friendly Center.

In many ways, it is the vision outlined in the POCD and the goals, recommendations, and strategies that form the foundation of this Affordable Housing Plan.

What is multi-family housing?

Multi-family housing will be mentioned throughout this Plan so it is important to understand what constitutes multi-family housing. The Granby Zoning Regulations define multi-family housing as a dwelling containing two (2) or more dwelling units. It is also any property that has more than one dwelling unit located on it. Multi-family housing can range from single-family homes located on one lot, two-family structures/duplexes or triplexes, all the way to developments with 30 or more units. The recently constructed Grand Apartments, Greenway Village, and Copper Brook Village developments are all examples of multi-family housing. Later in the Plan, there may be recommendations for specific types of multi-family housing.

Plan Development and Process

The Connecticut State Legislature passed Connecticut General Statutes Section 8-30j, which requires each municipality in the State to prepare and adopt an affordable housing plan. The plan shall specify how the municipality intends to increase the number of affordable housing developments. All municipalities must have a plan adopted by June 2022. Once adopted, the plan is to be updated at least once every five years.

In August 2021, the Granby Board of Selectmen voted to establish an Affordable Housing Plan Committee and appointed members. The Committee was charged with preparing an Affordable Housing Plan pursuant to the State requirements and to present the plan to the Board of Selectmen for review and approval to enable adoption prior to the June 2022 deadline.

The Affordable Housing Plan Committee met for the first time in September 2021. This Plan was developed over a seven-month period.

To develop this Plan, the Committee reviewed current documents and regulations, including the Town's POCD and Zoning Regulations, retrieved and analyzed the most recent data available from the U.S. Census, gathered information on public utilities including water and sewer, and invited guest speakers to address the Committee, including a housing developer and a land use professional who provided information about the financial feasibility and economics of affordable housing developments. Throughout the process, all meetings were open to the public and agendas, minutes, and presentation material were posted on the Committee's website for public review.

What does affordable housing look like?

There may be a misconception that affordable housing consists of high-density residential development. This is not the case. Affordable housing can come in many different forms. It can be a single-family home, a townhome, duplex, or an apartment located in an apartment building. It can be privately owned or rented. There are many different styles for affordable housing and it can be designed to be indistinguishable from surrounding market-rate housing units.

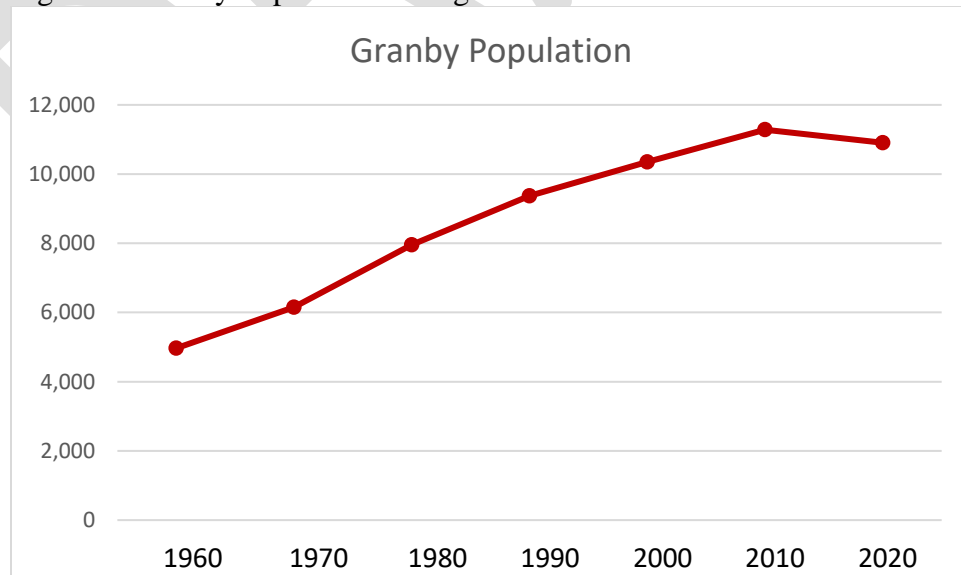
Demographic Data and Housing Inventory

To better understand Granby's housing needs, the Committee first assessed demographic and population information. The Committee then examined Granby's current housing stock and housing costs to determine what type of housing may be needed and how much residents can afford to spend. To identify barriers to affordable housing, the Committee concluded by assessing the current Zoning Regulations and infrastructure locations. The resultant strategies and recommendations are outlined in the next section. Below are the Committee findings.

Demographics and Population Information

Granby's population grew steadily from 1960 to 2010, increasing from 4,968 to 11,282 people. However, based on the recent 2020 Census, over the last ten years there was a population decrease of 621 people. Granby's current population is 10,903. Population projections from the Connecticut Data Collaborative show the population may continue to decline slightly over the next ten years to 10,496 people in 2025 and 10,071 people in 2030.

Figure 1: Granby Population Change



There are more older Granby residents than there are in the surrounding region and state. The American Community Survey 2015-2019 5-year estimates (ACS) reported the median age in Granby is 46.2 years compared to 40.4 in Hartford County and 41.0 in Connecticut and 21.9% of Granby's population is 62 years or older, compared to 16.8% in Hartford County and 20.7% in Connecticut. Granby's aging population will have different housing needs and preferences than younger residents and families. While Granby has an older median age and a higher percentage of the population over 62 compared to both Hartford County and the state, it should be noted Granby has a greater percentage of residents under 18 compared to the county and the state, with 22.6% under 18 compared to 21.2% in Hartford County and 20.8% in Connecticut. However, this segment of the population is declining. Based on State Data Center population projections, Granby's percent of population under 19 will decline from 23.62% today, before recovering to 23.34% in 2035. During this same timeframe, the population over 65 is projected to steadily increase from 18.44% to 22.37%.

Table 2: Granby Population Projections

Age	2020	2025	2030	2035	2040
0 - 4	409	453	525	593	613
5 - 9	544	490	531	617	699
10 - 14	779	629	554	593	685
15 - 19	855	723	581	521	569
20 - 24	526	504	398	356	387
25 - 29	525	581	563	471	424
30 - 34	440	606	720	710	606
35 - 39	419	477	663	813	805
40 - 44	551	463	529	744	922
45 - 49	886	657	537	598	829
50 - 54	1,058	854	636	517	572
55 - 59	1,047	962	770	570	472
60 - 64	892	876	792	626	462
65 - 69	641	697	667	586	440
70 - 74	501	511	551	514	440
75 - 79	349	422	411	443	406
80 - 84	281	307	366	368	396
85+	248	257	277	316	319
Total Population	10,951	10,469	10,071	9,956	10,046

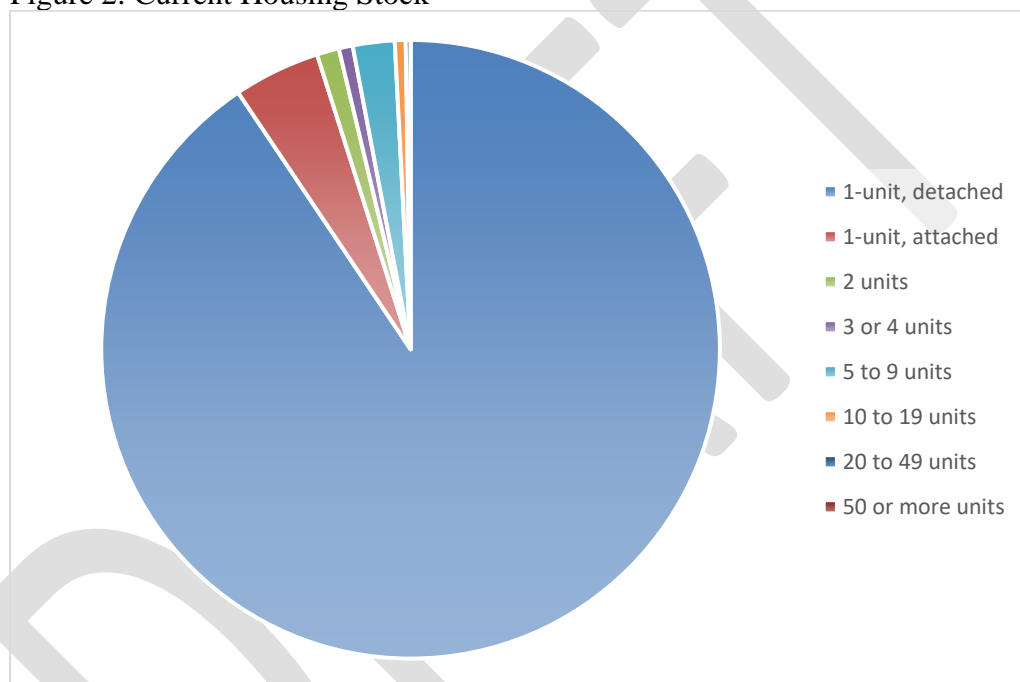
Census data show Granby is predominately white; 98.4% of the population identifies as one race and 1.6% two or more races. Of those who identify as one race, 95.5% of the population is white and 0.4% black or African American. This compares to Hartford County and Connecticut where 96.4% and 96.7% identify as one race, respectively, and 70.7% white and 13.8% black or African American in Hartford County and 75.9% white and 10.7% black or African American in Connecticut.

When looking at the median household income, which impacts how much can be spent on housing, Granby has a much higher median household income compared to Hartford County and the state. The median household income in Granby is \$121,250 compared to \$75,148 in Hartford County and \$78,444 in Connecticut.

Existing Housing Stock

Based on the most recent data available from the ACS, there are 4,398 housing units in Granby. The majority of these units, 90.5%, are single-family detached homes and only 4.2% have two or more units. These units are largely owner-occupied, with 90.2% of all units owner-occupied and 9.7% renter-occupied.

Figure 2: Current Housing Stock



It should be noted in recent years there have been several multi-family housing developments approved in Granby that may not be reflected in the data above. A total of 494 apartment units have been approved. Of these approved projects, 184 units have been constructed and are currently occupied. The remaining units are either under construction or are in the planning stages.

With the exception of the recent multi-family housing development approvals noted above, housing construction has slowed considerably since 1999.

Table 3: Age of Structure

Year structure built	# of units
2014 or later	33
2010 to 2013	48
2000 to 2009	483
1990 to 1999	726
1980 to 1989	531
1970 to 1979	839
1960 to 1969	467
1950 to 1959	578
1940 to 1949	278
1939 or earlier	415

The majority of the housing units that have been constructed have three or more bedrooms.

Table 4: Size of Structure

Total housing units	4,398
No bedroom	30
1 bedroom	222
2 bedrooms	452
3 bedrooms	2,019
4 bedrooms	1,327
5 or more bedrooms	348

Given the age of the housing units in Granby and their size, it is important to acknowledge that these housing units may not meet the needs of residents. As Granby's population ages, it is likely residents will be seeking smaller homes that are more accessible, including ranch style homes or units with the main bedroom on the first floor. They will also likely want a lower maintenance property, which would require a smaller lot size. The homes that these residents are looking to move out of may suit younger families with children.

Housing Costs

Following an assessment of Granby's demographic data and the type of housing units that are available, the Committee explored housing costs to determine if these housing units are affordable.

Based on the ACS, the median house value in Granby is \$310,600 and only 11% of homes are less than \$199,999.

Table 5: Granby House Value

Median House Value	\$310,600
Less than \$50,000	45
\$50,000 to \$99,999	30
\$100,000 to \$149,999	65
\$150,000 to \$199,999	301
\$200,000 to \$299,999	1,321
\$300,000 to \$499,999	1,405
\$500,000 to \$999,999	564
\$1,000,000 or more	13

For those renting, the gross rent, which is the contract rent plus the estimated average cost of utilities, is \$1,100. The majority of renters pay less than \$1,499 a month. It should be noted these rents likely reflect older rental units that were built prior to 1999. Rents in the multi-family developments that have been recently constructed range from \$1,750 to \$2,500 or more.

Table 6: Gross Rent

Gross Rent	\$1,100
No cash paid	9
Less than \$500	34
\$500 to \$999	120
\$1,000 to \$1,499	181
\$1,500 to \$1,999	12
\$2,000 to \$2,499	47
\$2,500 or more	0

What is considered affordable housing in Granby?

Based on the household size, the table below shows what is considered an affordable monthly payment for housing.

Table 7: Affordable Monthly Housing Cost based on Household Size

Household Size	80% AMI	30% Share for Housing	Monthly Housing Cost
1	\$58,408	\$17,522	\$1,460
2	\$66,752	\$20,025	\$1,668
3	\$75,096	\$22,523	\$1,877
4	\$83,440	\$25,032	\$2,086
5	\$90,115	\$27,034	\$2,252
6	\$96,790	\$29,037	\$2,419
7	\$103,466	\$31,039	\$2,586
8	\$110,141	\$33,042	\$2,753

For rental units, if it is assumed the number of bedrooms needed for a household is one less than the size of the household, the following can be used as the maximum gross rent, which includes utilities.

Table 8: Affordable Gross Rent

	Maximum Gross Rent
Studio	\$1,460
1 bedroom	\$1,668
2 bedrooms	\$1,877
3 bedrooms	\$2,086
4+ bedrooms	\$2,252+

Based on gross rent data and the monthly housing cost, the majority of existing rental units are considered affordable. As reported by the ACS as noted above, 344 units (85%) have a gross rent of \$1,499 or less. When comparing the gross rent to the monthly housing costs, this is slightly above what would be considered affordable for a one-person household and within the affordable range for a household with two or more people. As it is unlikely all 344 units are studios, based on the maximum gross rent by bedroom count, it can be assumed that Granby rents based on bedroom count fall within what would be considered an affordable range. However, as previously noted, the majority of these units were built prior to 1999 and may not meet the needs of current residents. The newer rental units are renting for rates that exceed what would be considered affordable.

What is the 30% Rule?

The most common rule to determine how much a person can reasonably afford to spend on housing and still have enough money left over for every day expenses is that it should not be more than 30% of a person's gross monthly income. For renters, the 30% includes rent and utilities. If a person owns their own home, it should include homeowner's insurance, property taxes and utilities, in addition to the mortgage.

For owner-occupied units, the monthly housing cost can also be roughly translated to a maximum purchase price based on the standard that someone can comfortably afford to spend approximately three times their annual gross income on a housing unit.

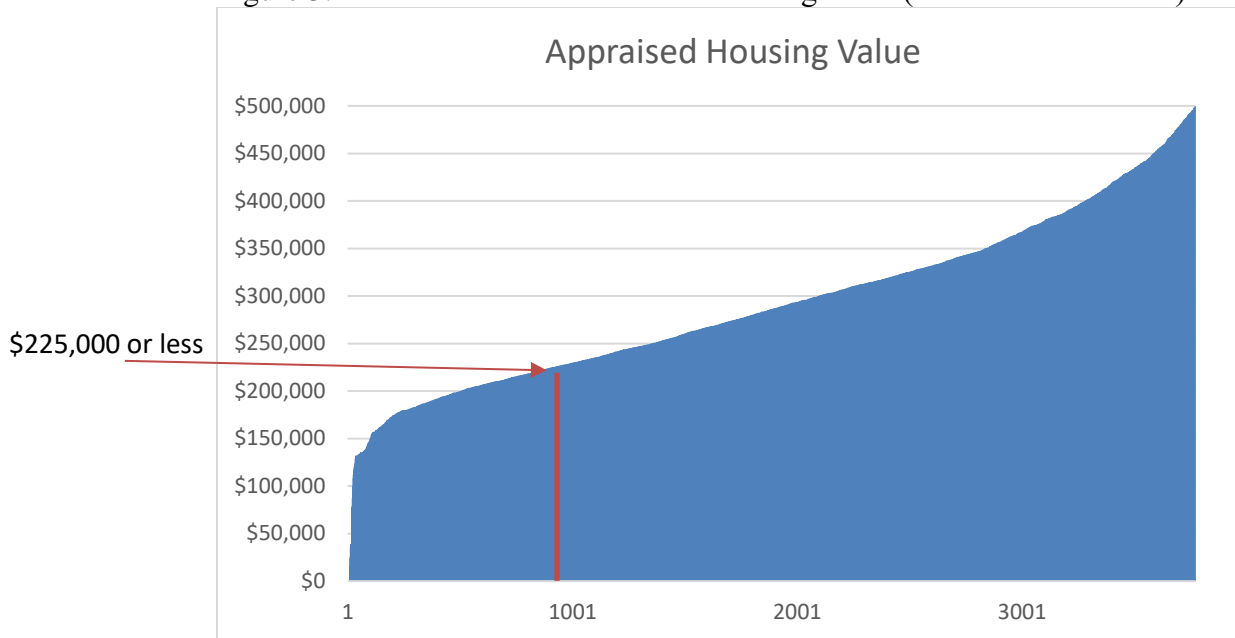
Table 9: Affordable Purchase Price

Household Size	80% AMI	Purchase Price
1	\$58,408	\$175,000
2	\$66,752	\$200,000
3	\$75,096	\$225,000
4	\$83,440	\$250,000
5	\$90,115	\$270,000
6	\$96,790	\$290,000
7	\$103,466	\$310,000
8	\$110,141	\$330,000

In Granby, given there are 2.71 people per household (ACS), for the purpose of determining the amount of naturally occurring affordable housing, a purchase price under \$225,000 will be used. Based on information from the Assessor's database of estimated market values (appraisal),

adjusted for inflation to 2021 figures, there are about 900 units with an estimated market value of \$225,000 or less, out of a total of 4,148 units. This is considered the amount of naturally occurring affordable housing (ownership, not rental).

Figure 3: Estimated Market Values of Housing Units (Assessor's Database)



While this indicates there may be a significant number of naturally occurring affordable housing units, it does not mean that these units are necessarily available for people looking to purchase a home. An examination of recent sale prices reveals in the last year (from December 2020 to December 2021), there were 192 sales. Sale prices ranged from \$60,000 to over \$1 million. Of these, 26 units sold for under \$225,000; however, only 16 of these units (8% of total sales within this time period) were considered qualified sales. This means these sales were an arm's-length transaction of a property between unrelated parties who were not under duress to buy the property, which was offered on the open market. For the 16 qualified sales, the units ranged in size from 804 square feet to 1,680 square feet, with a median size of 1,160 square feet. These units were built anywhere from 1800 to 1981, with the majority of them built in the 1950s. While these smaller units could be suitable for Granby's aging population, based on the year when they were built, they are likely in need of updates to suit current needs. Furthermore, these smaller unit sizes would likely not accommodate families in need of affordable housing who may require additional bedrooms and overall more square footage.

When determining housing affordability, housing costs can be compared to income. A household is considered cost burdened if more than 30% of their income goes toward housing costs. Overall, 918 or 22% of Granby households are spending more than 30% of their monthly income on housing. As shown in the chart below, housing costs pose a significant burden for low- and moderate-income households; the lower the household income, the greater the likelihood the household is considered cost burdened.

Table 10: Cost Burdened Households by Income Bracket

Household Income	Number of Occupied Housing Units	Number of households that spend 30% or more on housing	Percent of households that spend 30% or more on housing
Less than \$20,000	176	156	88.6%
\$20,000 to \$34,999	165	134	81.8%
\$35,000 to \$49,999	304	242	79.6%
\$50,000 to \$74,999	444	115	25.9%
\$75,000 or more	3,026	271	8.9%
Zero or negative income	23	-	-
No cash rent	9	-	-

Current Affordable Housing Under CGS Section 8-30g

Based on 2020 data released from the Connecticut Department of Housing, Granby has 143 affordable housing units. This means 3.28% of Granby's housing stock is considered affordable. The majority of these affordable units are located in government assisted housing developments, including the Salmon Brook Housing and Stony Hill Village developments. These housing developments are age-restricted or an applicant must have a disability to be eligible, therefore younger residents or residents with children would not qualify to live there. These developments also have an extensive waiting list. Stony Hill Village has approximately 100 people waiting for a housing unit and the wait list is about two years. Salmon Brook Housing is similar, with about a two-year waiting list as well.

Table 11: Current Affordable Housing Units

	Units
Governmentally Assisted	85
Tenant Rental Assistance	2
CHFA/USDA Mortgages	51
Deed Restricted Units	5

Summary of Findings

Below is a summary of key findings based on the information presented above:

- Data show the gross rents in Granby are affordable, however there are only 344 rental units.
- New rental units are not reflected in the data. The rental rate for these units exceeds the gross rent and as a result, these new units are not affordable for many residents.
- There may be naturally occurring affordable housing but this housing may not fit current needs given the year the structure was built and the unit size, as they tend to be smaller.
- Granby's naturally occurring affordable housing may not be available/come on the market frequently; only 8% of units sold in the past year were considered affordable.
- As 22% of Granby households are cost burdened, there is a mismatch between the amenities and housing features that residents need/want and what can be obtained at an affordable price point.

- Only 143 housing units (3.28% of Granby's total housing stock) are considered affordable under CGS 8-30g.

Does Granby need additional affordable housing? Examples from Social Services case files:

Example 1: An elderly Granby resident is looking to downsize after the loss of spouse and wishes to remain in Granby. The sale of the house provides savings to draw from for a few years. The resident applies for a reduced rate apartment at the Grand Luxury Apartments. Based on income, which is limited to social security benefit, the rent will not be affordable (more than 30% of income will be spent on rent). As there are limited downsizing options in Granby, the resident decides to rent a unit despite affordability concerns. After three years, the savings have run out and the elderly resident can no longer afford the rent. Public assistance for fuel and use of the Granby Food Bank do not offer enough relief. Elderly/Disabled subsidized housing units in Granby are not a viable option as the wait lists are approximately two years long.

Example 2: A two-parent household with two children in the Granby school system suffers a financial setback when one parent becomes disabled. The single income is not enough to meet the monthly rent expense. An application for social security disability benefits typically takes several months to process through the system. Public assistance (including State energy assistance, Supplemental Nutrition Assistance Program (SNAP), State insurance, and the Granby Food Bank) eases the financial burden but is inadequate to enable the family to remain in Granby.

Example 3: A single, working mother with a student attending the Granby schools through the Open Choice Program wishes to move into Granby. The student is performing well academically and through both school and athletics, has developed positive relationships with fellow students and teammates. However, the family is unable to find affordable housing to realize their desire to join the community.

Regulatory and Infrastructure Assessment

Granby Zoning Regulations Assessment

The Town is divided into different zoning districts (zones). These zones are as follows: Business (C2), Industrial (I), Rural Conservation (R4A), Rural Residential (R2A), Rural Residential (R50), Residential (R30), Planned Development Multifamily (PDM), Neighborhood and Commercial Transition (T1), Economic Development (ED) and the Granby Center which consists of three specific zones, the Commercial Center (COCE), Center Commons (CC), and Center Edge (CE). Refer to the zoning map on the following page. There are various uses allowed as-of-right and by Special Permit in each zone (refer to the complete Zoning Regulations posted on the Town's

website). The Committee reviewed the Zoning Regulations to determine where and what type of residential uses are allowed. Below is a summary of the Committee findings:

1. Residential uses are allowed in all zones (either by Special Permit or permitted as-of-right). There are two exceptions: the C2 and I only allow a caretaker's apartment when associated with the commercial use on the property.

Single-Family Housing

2. Single-family housing is permitted as-of-right in the R4A, R2A, R50, R30, PDM, T1, CC, and CE.
3. Single-family houses must be at least 1,000 square feet.
4. Each zone has the following required lot size:
 - a. R4A: 4 acres
 - b. R2A: 2 acres
 - c. R50: 50,000 square feet (1.15 acres)
 - d. R30: 30,000 square feet (.68 acres)
 - e. PDM: 5 acres
 - f. T1, CC and CE: 30,000 square feet (.68 acres)

Multi-Family Housing

5. Multi-family housing is permitted as-of-right in the CC Zone.
6. Multi-family housing is permitted by Special Permit in the PDM, T1, COCE and CE Zones.
7. The density for multi-family housing depends on the Zone.
 - a. PDM: 8 units/developable acre allowed.
Density can be increased to 10 units for elderly housing. A 20% density increase is allowed for elderly and affordable housing.
 - b. T1: 8 units/acre.
 - c. COCE, CC and CE: 15 units/acre.
8. The lot size required for multi-family units depends on the zone.
 - a. PDM: 5 acres
 - b. T1: 4 acres
 - c. CC and CE: 8 acres
 - d. COCE: no minimum lot size specified for multi-family.
9. Multi-family units must be a minimum of 450 square feet for an efficiency, 575 square feet for a 1-bedroom, 700 square feet for a 2-bedroom, and 150 square feet must be added for each additional room.
10. Must be served by public water and sewer.

Accessory Apartment

11. Accessory apartments must be associated with a single-family house.
12. Special Permit approval from the Planning and Zoning Commission is required.
13. If detached from the house, a minimum lot size of 2 acres is needed.
14. The apartment must be between 450 and 1,200 square feet.

Active Adult Residential Development

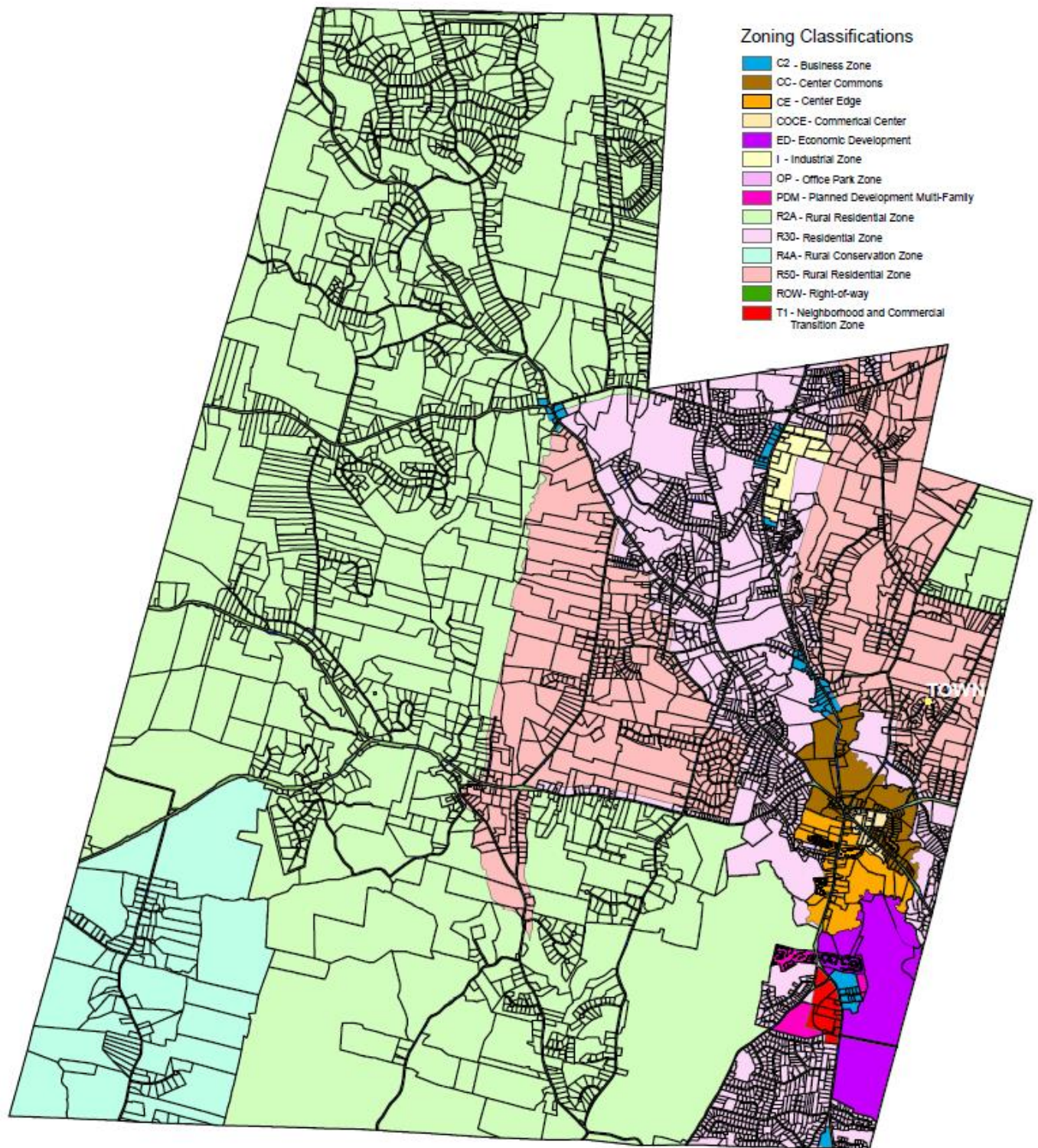
15. Active adult residential developments (55+) are allowed by Special Permit in the R30, PDM, ED, and T1 Zones.
16. Minimum lot size is 10 acres.
17. Dwelling unit must be at least 1,000 square feet.
18. 5 units/developable acre permitted. A 20% density increase may be allowed in exchange for the provision of affordable units.
19. The development must be served by public water and sewer.

As-of-right and Special Permit Uses

As-of-right uses, also called by right, are uses that are specifically allowed in a given zone. Often there will be criteria outlined in the Zoning Regulations and provided the proposed use complies with the criteria, the use is allowed without further consideration. There are situations where even if a use is considered as-of-right, a Site Plan application through the Planning and Zoning Commission may be needed. When making a decision on a Site Plan application, the Commission acts in a ministerial capacity. In other words, the Commission has no independent discretion other than determining if a Site Plan application complies with the applicable regulations. If a development proposal complies with the regulations, it is to be approved.

Special Permit uses are uses which are generally compatible with uses in the zone but because of the nature of the proposed use, special attention is given to its proposed location and operation. When considering a Special Permit use, the Planning and Zoning Commission may impose additional conditions to protect the public health and safety. Under State Statute, all Special Permit applications are subject to a public hearing process. Special Permit uses may also require a Site Plan application be submitted simultaneously for the Commission's consideration.

Town of Granby Zoning Map:

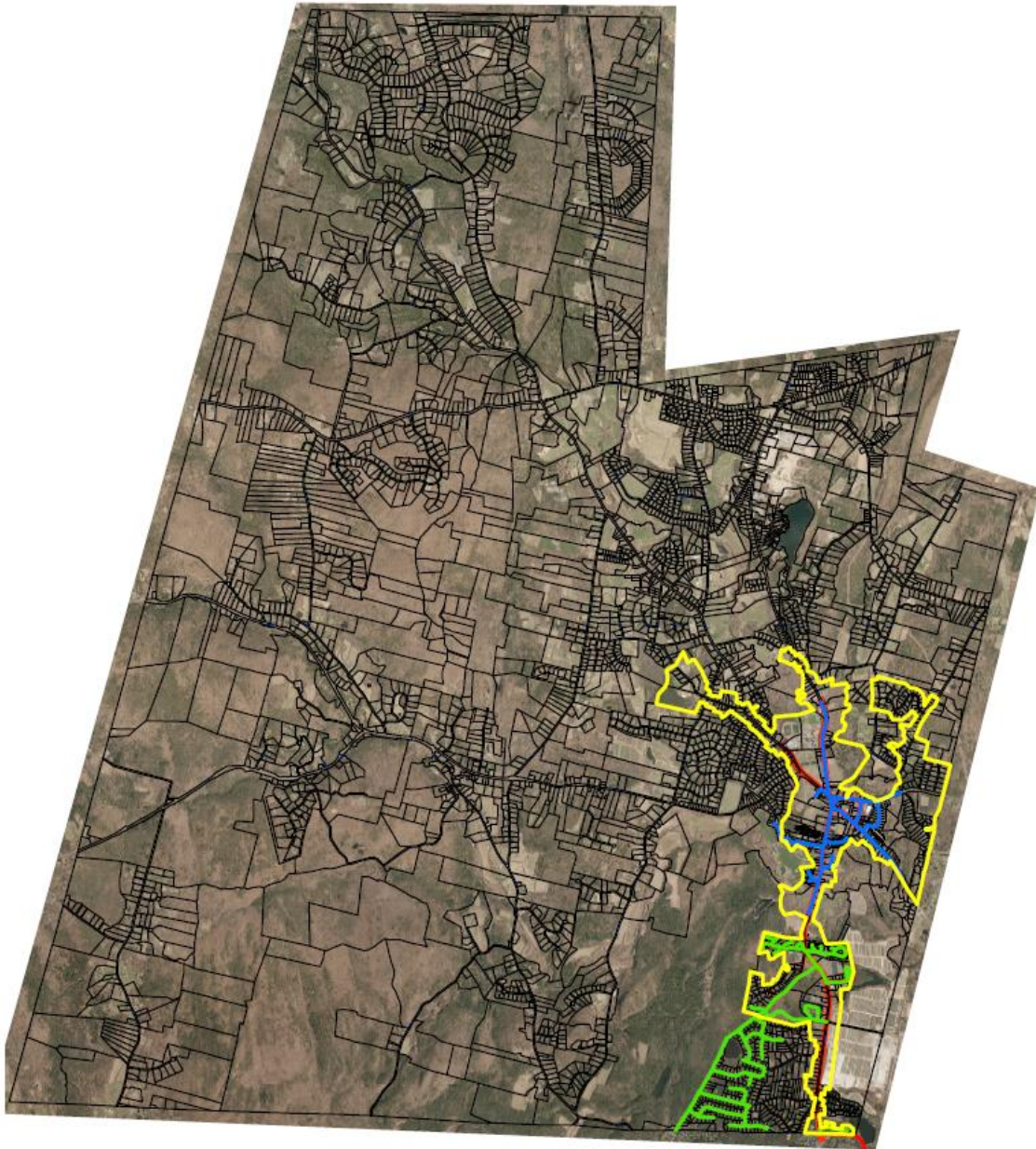


Infrastructure Assessment

As it is not uncommon for affordable housing to rely on increased density for a project to be financially feasible, the location of public utilities can affect the location and type of housing that can be developed. The Committee reviewed the location of existing utilities.

The majority of Granby properties have septic systems and wells. A very small portion of the town (about 5% of its land area) has access to public water or sewer. The map below shows the location of utilities relative to the total land area.

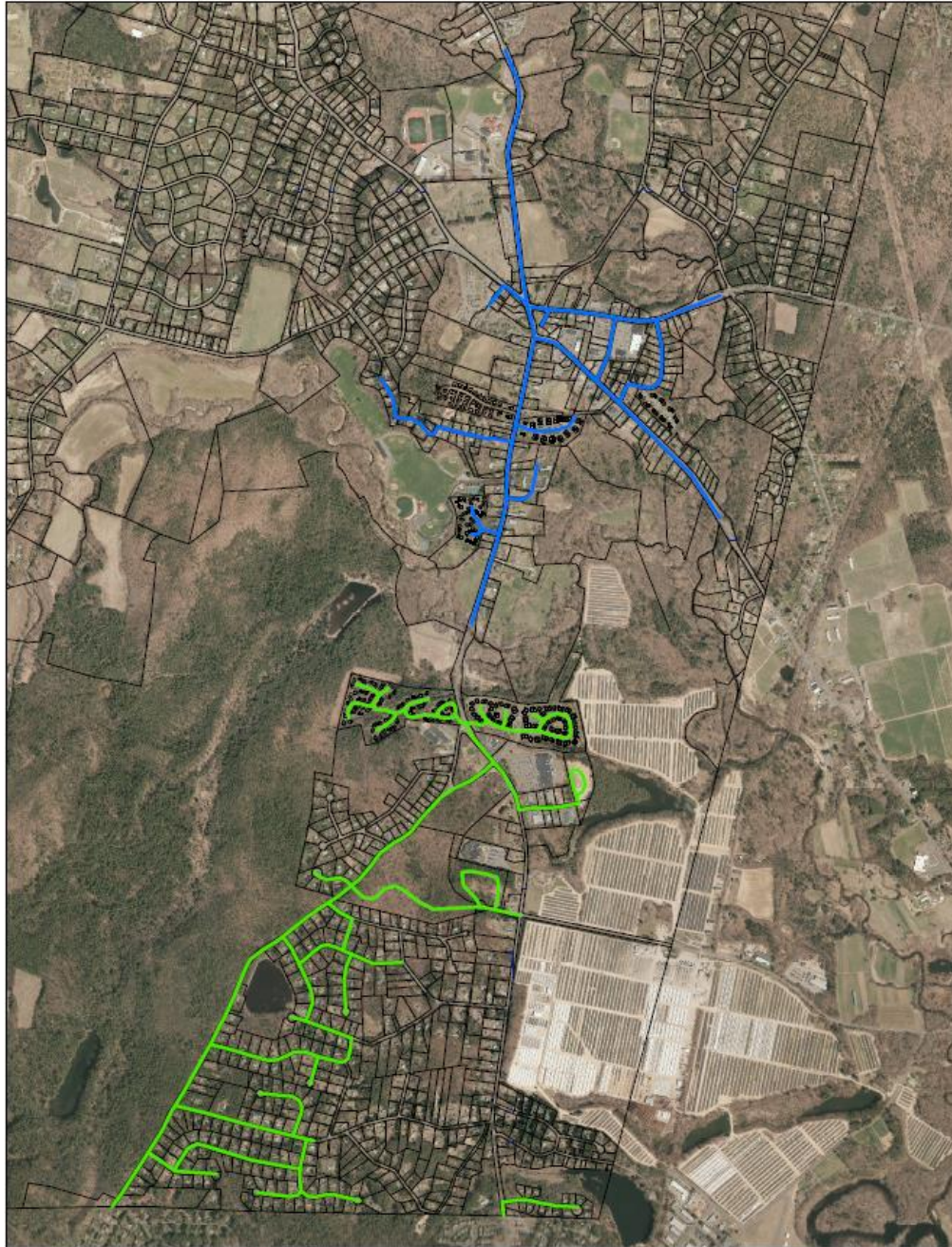
Infrastructure Location Map:



Water

Granby is served by two water companies, Aquarion Water Company and Salmon Brook District Water. Aquarion Water Company provides water service to the southeastern part of town, primarily along Salmon Brook Street (Route 10) and Canton Road, south of the Salmon Brook to the Simsbury town line (shown in green on map below). Salmon Brook District Water provides water service to the Granby Center area (shown in blue). Any property located outside of these areas is on a private well. Below is a map showing the water service location.

Water Service Location Map:



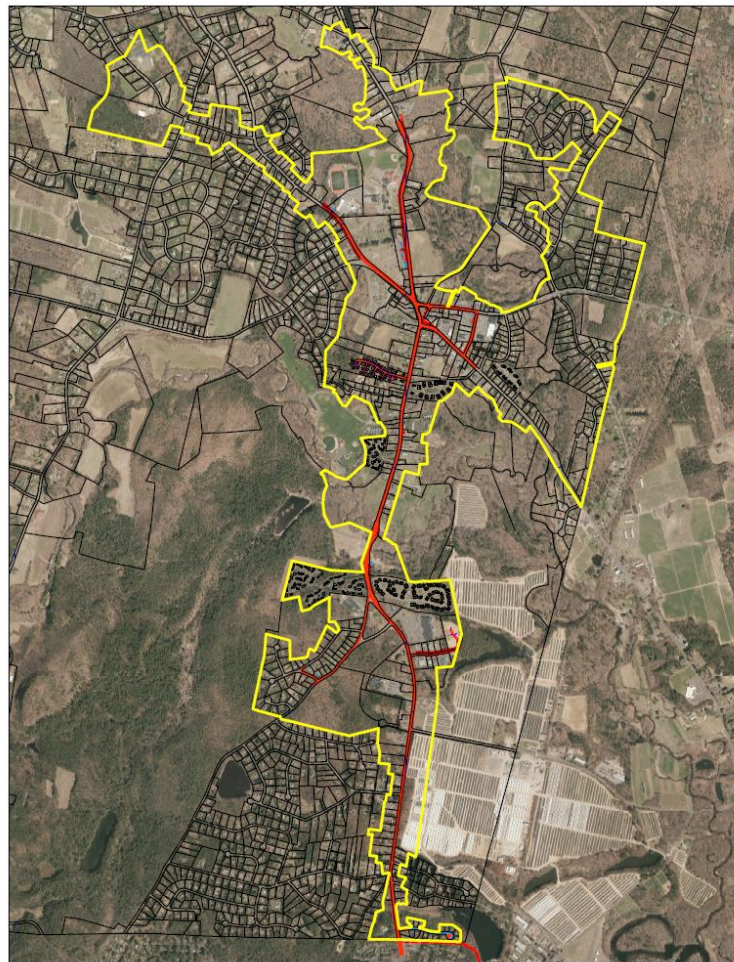
Sewer

Sewer service in Granby is relatively limited, with sewer lines mainly concentrated in Granby Center. The sewer runs from Granby Center south along Salmon Brook Street (Route 10) to the Simsbury town line. Due to failing septic systems, the sewer line was expanded several years ago to provide service just to the west of Salmon Brook Street to several properties on Burleigh Drive, Archie Lane, and Canton Road. With that exception, there have been no other recent expansions of the system.

The sewer system is owned by Granby and the Town has an agreement with the Town of Simsbury to discharge all waste to their wastewater treatment facility. Under the agreement, Granby is allocated 380,000 gallons per day. As of the writing of this Plan, a total of 260,400 gallons per day have been committed to existing or planned developments, which includes about 500 residential and commercial users. All other properties in Granby have septic systems.

The sewer service area encompasses the land inside the yellow border shown in the map below. The sewer lines are shown in red.

Sewer Service Location Map:



Economics and Financial Feasibility

There are many factors that determine if an affordable housing development will be economically and financially feasible, which in turn affects whether or not it will be constructed. Therefore, to identify ways to increase affordable housing, it is important to first understand the economics and finances behind developing affordable housing.

When developing and managing an affordable housing project, or any housing project, there are many associated costs. For a multi-family development for example, this includes the cost of the land, permitting fees (including land use application fees and building permit fees), labor costs, site development costs, utility connection fees, utility user fees, financing interest rates, and tax rates. Each of these variables affects the initial development costs and longer-term operating costs. Developers assess these costs and measure them against what they can expect to receive in rent. If the expected total rent in a development is projected to cover the expenses associated with the project, it is deemed financially feasible.

When constructing a mixed income development, which is a mix of market-rate and affordable units, or an all-affordable development, the profit margins shrink and can even disappear. The rent for market-rate units in a development must offset the lower rents collected on the affordable units. The difference can become so wide that the market-rate unit rents will not make up for the affordable unit rents. At this point, the project is not financially feasible.

Developments that are comprised of entirely affordable units can be even more challenging. Developers typically must seek loans, grants, and other funding sources for a project to be financially feasible. For example, a multi-family rental development in another town relied on a variety of funding sources, including a grant through the Federal Home Loan Bank Affordable Housing Program, Low-Income Housing Tax Credits, funding through the Connecticut Department of Housing's Competitive Housing Assistance for Multifamily Properties (CHAMP) initiative, energy efficiency rebates, and a deferred developer fee.

In addition to direct costs, sometimes an unpredictable land use approval process for a multi-family development can make underwriting a project more difficult and in turn affect the feasibility of the project. When a development proposal requires Special Permit approval, this means an applicant must appear before the Planning and Zoning Commission for a public hearing. The Commission can determine whether or not to approve the application and may also assign conditions of approval. While this process has the benefit of allowing public input and gives the Commission the ability to assign conditions to mitigate potential concerns, it adds a certain degree of risk for a developer. Prior to even appearing before the Commission, hundreds of thousands of dollars can be expended on engineering plans, traffic studies, stormwater analyses, and other studies. And there is no guarantee that the development plan will be approved. This is not to mention the time it often takes to obtain approval. If a development that requires Special Permit approval is expected to be met with community opposition, this may be enough for a developer to decide to explore other locations.

Proof of these challenges to building affordable housing is apparent right here in Granby; no recently approved multi-family development projects include affordable units. When development applications have been presented to the Planning and Zoning Commission and the applicants were asked about the provision for affordable units, often the response was it was not financially feasible.

Objectives and Recommendations

To increase the number of affordable housing units in Granby, there should be a concerted effort to both increase housing options and to reduce financial and economic barriers to the development of affordable housing. This will in turn facilitate the development of housing units of different price points and varying amenities that will best serve a diverse range of residents. To achieve this, the following objectives and recommendations are proposed. While these objectives and recommendations will require further study and analysis, they are presented here to provide other Boards and Commissions with ideas and options to consider. It may then be decided which ones are best to pursue to increase affordable housing in Granby.

1. Reduce restrictions for accessory apartments

Accessory apartments can provide additional housing options for residents who may not desire a single-family house or who may not want to live in a large apartment complex. Often these are smaller units either contained within an existing single-family dwelling or they are located on the same lot as a single-family house in a detached structure, such as over a detached garage. Due to their smaller size, they are often less expensive than the rent for an apartment in a large multi-family rental development. Not only do these apartments provide additional housing options, but they can help current residents stay in their homes by providing supplemental income which can offset their own housing costs. Under the current Zoning Regulations, accessory apartments require Special Permit approval and there are specific criteria that must be met. Recognizing that these units are an important tool to both diversify Granby's housing stock and help residents, the following strategies are recommended:

- a. Remove the requirement that all accessory apartments seek Special Permit approval from the Planning and Zoning Commission. Allow accessory apartments to be approved at the staff level provided the application complies with the Zoning Regulations.¹
- b. Consider allowing detached apartments on lots smaller than 2 acres.
- c. Eliminate the minimum square footage required for an accessory apartment and instead require that the unit size comply with that required by the Building Code.
- d. Consider financial incentives for the construction of accessory apartments that are deed-restricted affordable, such as a tax incentive.

¹ Public Act 21-29 allows the construction of accessory dwelling units, which are also referred to as accessory apartments, on lots accompanying a single-family house unless a municipality chooses to opt out. As of the writing of this Plan, the Planning and Zoning Commission is considering opting out of this provision. However, the Commission will be considering changes to the current regulation and may decide to allow attached apartments as-of-right. Detached apartments may still require Special Permit approval through the Commission.

2. Encourage the development of multi-family housing

Multi-family housing is only allowed by right in the Center Commons (CC) Zone. In any other zone that allows multi-family developments, Special Permit approval is required. Due to the time, expense, and unpredictable nature of seeking Special Permit approval from the Planning and Zoning Commission, this can be a deterrent for the development of multi-family housing. Such developments also must comply with density maximums, or the number of units allowed per acre, and often there is a minimum lot size needed for the developments, which is in excess of the minimum lot size required in the zone. There are opportunities to modify the Zoning Regulations to encourage the development of multi-family housing:

- a. In addition to the CC Zone, examine other zones where multi-family development is allowed and consider allowing the use by right, instead of by Special Permit approval. This could include two-family structures/duplexes, triplexes, or larger scale multi-family developments, depending on further study and a determination of the appropriateness of the development size. Site Plan approval may still be required from the Planning and Zoning Commission.
- b. Consider other zones where multi-family developments may be appropriate. For example, the majority of Granby is zoned R2A, which requires a 2-acre minimum lot size. Where suitable soils exist, some lots in this zone may be able to accommodate two-family structures/duplexes.
- c. In the PDM Zone, a density bonus is allowed for the development of elderly housing, and there is an additional density bonus where elderly *and* affordable housing is provided. Expand the zones where a density bonus is allowed and allow such a bonus for construction of any affordable unit, not just for elderly *and* affordable.
- d. Assess the current density allowed for a multi-family use and consider an increase in density depending on the suitability of the site.
- e. In zones where the minimum lot size required for multi-family developments exceeds the minimum lot size in the underlying zone, consider a reduction in the required minimum lot size for multi-family developments.
- f. Consider a change to the Zoning Regulations to require a certain percentage of units constructed in a multi-family development be deed-restricted affordable; this is known as inclusionary zoning. If a developer is unable to comply with the requirement, consider a provision that would allow payment into a housing trust fund. The funds could then be used for the development of affordable housing.
- g. Explore establishment of a housing trust fund (see 2.f.).
- h. Consider financial incentives for the construction of affordable multi-family housing developments, such as a tax abatement, reduced building permit fees, reduced sewer connection fees, or other incentives.

3. Encourage the development of single-family affordable housing

The majority of Granby requires a 2-acre minimum lot size, with some areas requiring a 4-acre lot (4A Zone). The larger the lot size, the less economically feasible it is to construct affordable housing. Density restrictions also limit the number of units that may be constructed. Modifications

may be made to the Zoning Regulations to encourage the construction of single-family affordable homes:

- a. Where public water and sewer exist, or in other locations where there are suitable soils, consider the reduction of the minimum lot size; smaller lot sizes would reduce the overall cost of the house/property, increasing the financial feasibility of developing affordable housing.
- b. Consider a density bonus within Flexible Residential Developments (FRD) for the construction of affordable housing.
- c. Consider a modification to the Zoning Regulations to require the set-aside of a certain number of affordable housing units in any planned residential subdivision. Similar to the aforementioned recommendation (see 2.e.), if a developer is unable to comply with the requirement, consider a provision that would allow payment into a housing trust fund. The funds could then be used for the development of affordable housing.
- d. Explore establishment of a housing trust fund (see 3.c.).

4. Promote the modest expansion of public infrastructure

As stated previously in this Plan, much of Granby lacks sewer and water service. This limits the density of housing units that can be constructed in many areas in town, particularly where the soils may not be suitable to support septic systems. The location of public infrastructure should be examined and the Town should support expansion where appropriate. The following is recommended:

- a. It is recommended that the sewer service area map be modified to allow for an expansion of the service area north and south of Floydville Road to the East Granby town line, and eliminate the areas north of Crest Road, along North Granby Road.
- b. Request regular updates from the water and natural gas companies, which are not Town-owned, on their infrastructure plans for Granby.

5. Actively seek partnerships with affordable housing developers

The Town owns land that may be appropriate for the development of affordable housing. This land ranges from smaller properties that may be suitable for one or two homes to larger properties that could accommodate a greater number of housing units. Some of these properties also have access to public infrastructure that would allow for an increase in density, or the number of units per developable acre.

- a. Study Town-owned land and determine which properties will likely not be needed by the Town for future municipal facilities or uses. Of the properties that remain, determine which ones may be best suited for residential development.
- b. Explore partnerships with affordable housing developers and non-profit entities with experience in affordable housing development to facilitate residential development on Town-owned land where appropriate.

What is a Flexible Residential Development (FRD)?

A flexible residential development (FRD) arranges homes closer together in groups on smaller lots than those normally required by the Zoning Regulations. FRD permits a reduction in lot size and a variation in shape and location without increasing the overall density, following the approval of a Special Permit. All land within the R30, R50 and R2A Zones is eligible for a Special Permit for a FRD.

Conclusion

In recent years there have been efforts to diversify Granby's housing stock, as evidenced by the recent approval and construction of several multi-family housing developments. As of the writing of this Plan, the Planning and Zoning Commission is also reviewing the Accessory Apartment Zoning Regulation. While this demonstrates progress in providing additional housing options, more needs to be done to provide a range of housing types to meet the needs of current and future residents. Progress is also needed to provide affordable housing options so that both current residents may stay in town as circumstances change and there are opportunities for new residents to move here. Further analysis of the objectives and strategies outlined in this Plan will be an important step in determining how to implement this Plan and increase affordable housing in Granby.